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HARMONIZATION AND CO-ORDINATION OF NATIONAL PLANS AT THE SUBREGIONAL LEVEL

I. INTRODUCTION

1. Sectoral planning at the subregional level is considered as one of the best ways of analyzing, co-ordinating, harmonizing and monitoring the implementation of development policies that can make a substantial contribution to speeding up and intensifying subregional and regional economic co-operation and integration. Nevertheless, the scant progress made in African economic planning since the attainment of independence because of enormous and manifold difficulties and dependence on the outside world particularly in the field of technological, economic and financial resources; ill-suited production, transport and distribution systems; under-utilization of industrial capacity and others) show the complexity and scope of the undertaking.

2. Faced with these difficulties, it is extremely crucial and urgent for African planners to review how national plans are harmonized and co-ordinated at the subregional and regional levels and together to seek for ways and means of improving them by identifying guidelines for general or specific research that would point the way to future action to be taken in this area, given the imperative need to achieve the economic integration of the continent and to establish its common market. In this context, the present study begins to look at a problem whose more important aspects should be treated in greater depth at a later date. The study focuses on the practices currently existing in subregional co-operation structures, the major constraints to be removed and the priority action to be taken.

II. CURRENT WAYS OF HARMONIZING SECTORAL PLANNING IN SUBREGIONAL CO-OPERATION STRUCTURES

A. At the micro-level

3. At the subregional level African national plans are still being harmonized informally. In fact, not all the countries prepare development plans and there is no subregional perspective plan that could be used as a frame of reference for the harmonization of existing plans many of which have remained ineffectual or failed to address the types of problem and crisis that national economies and the international economy are undergoing. What happens to be taking place is rather the wide- spread substitution of structural adjustment programmes for national development plans

4. Among the subregional co-operation structures in Africa, mention can be made of the Economic Community of West African States (ECOWAS), the Organization for the Development of the River Senegal (OMVS), the Central African Customs and Economic Union (UDEAC), the Economic Community of Central African States (ECCAS), the Economic Community of the Great Lakes Countries (CEPGL), the Preferential Trade Area for Eastern and Southern African States (PTA) and others. Few of them have formulated a comprehensive general policy. Their action at subregional level is reflected in heterogenous and badly co-ordinated economic co-operation strategies. The set objective of each subregion is economic integration through gradual phaseof technical co-operation. In this context, several of the harmonization approaches applied to development activities in the subregion have been considered in the present study.

5. One first approach is to adopt sectoral strategies and policies which serve as a basis for the preparation of sectoral co-operation programmes that include projects selected in accordance with criteria adopted by common consent. Such projects focus on basic studies as they do on the implementation of widely varying sectoral activities whose socio-economic impact both nationally and subregionally remains to be clarified. The final goal is to speed up the economic integration of the subregion or to fulfill speedily the conditions for doing so. However, the implementation of sectoral programmes prepared in this manner do not lead to a review of national plans with a view to adapting them to subregional development imperatives as such. The adopted strategies and policies are generally very vague and do not make for rigorous selection of priority activities whose implementation would be a crucial step taken towards economic integration of the subregion. Such an approach to inducing integrated subregional development is in effect being pursued by CEAO, ECOWAS and UDEAC but because the induction is not happening automatically, the resulting challenges must constantly be taken up and a spirit of enterprise demonstrated.

6. One other approach is to prepare a subregional programme for natural resources development taking care to conduct all the prefeasibility studies and to indicate the impact on future development of key sectors as well as the conditions and time-frame for implementation of the programme. Agreement will have to be reached on programme components, priorities, cost sharing, legal status of the proposed projects and the establishment of appropriate subregional institutions that can manage them effectively, with each country being requested to accord the necessary priority to components of the subregional programme in its national development plans and to ensure that they are implemented. Financing will have to be sought for subregional activities which will be implemented by a subregional institution having a planning bureau with national branches. The objective is to achieve harmonious development of the subregion. This is the approach used by CMVS and even though the results are still only partly achieved, they are substantial. CEPGL and ECCAS are following approaches that are at times global and other times sectoral.

7. One of the main obstacles to the harmonization of sectoral development activities is the overspreading of efforts to encompass all sectors and all countries of the subregion at the same time without proper co-ordination of the financial, human and material resources needed and without a global long-term vision of the development of the subregion. The results expected from harmonizing sectoral plans take a long time to materialize and the achievement of subregional economic integration becomes very uncertain.

8. In the second approach, the implementation of the programme relies almost exclusively on foreign aid because domestic financial resources are lacking. The basic studies, together with programme implementation, take an enormous amount of time because of a host of constraints. In both cases, the widespread and persistent nature of traditional structural adjustment programmes, like the ones currently being implemented in the various subregions, constitutes the biggest obstacle to the implementation of such national development plans as would promote the medium- and long-term economic integration of the subregion. Indeed, because of domestic management difficulties, not to mention budget and external payments imbalances, these programmes limit nationally the areas and volume of public investment, credit and monetary expansion, overall demand and stifle economic growth. Annual public investment programmes prepared in line with the requirements of creditor countries take the place of national medium- and

long-term development planning in the various countries and harmoniza-tion is carried out in terms of general guidelines and policies having no perceptible impact on subregional economic integration and national economic growth.

B. At the sectoral level

1. Harmonization of agricultural plans

(a) Major constraints

9. The major constraints to agricultural development first of all have to do with natural factors like climate and geography. Rainfall has been unpredictable with persistent, localized or almost widespread drought; fertile soil is becoming rare; water resources limited, poorly distributed and difficult to reach or use. Some of the problems are structural owing to the traditional systems of production in which the subsistence economy pre- dominates; wages are low and income difficult to mobilize; there is a lack of training and narrow-mindedness excludes modern techniques of farming. There are no adequate resources for agricultural extension and no modern factors of production or adequate health, educational and distribution services available. One sector in which the lack of basic statistical information, proper knowledge of the environment and of its needs and aspiration constitute a serious handicap for national planning is agriculture. At this level, all those activities which the administrative authorities failed to initiate are not planned and what planning there is has not made the expected impact because the people were not involved in their follow-up. The result has been very little trickle-down effect on the rural sector as a whole.

10. Many attempts to harmonize agricultural activities have been undertaken in various subregions without sound agricultural planning both at the national and subregional levels.

(b) General framework

11. At the level of ECOWAS in West Africa, agricultural development activities are being harmonized by intensifying and developing co-operation within the subregion. Two stages are provided for in the harmonization of agricultural development activities: (i) consultation among member States in the formulation of agricultural policy; and (ii) preparation of a common subregional agricultural policy covering agricultural research, and training, and production manufacture, processing and marketing.

12. In Central Africa, subregional co-operation in agricultural development is designed to strengthen national agriculture and sustain the strategy for increasing production and employment and raising incomes in the rural areas. The strategy is generally based on the principle that food-deficit countries would focus on increasing food production while food-surplus countries focused on the diversification of cash and industrial crops with a view to promoting inter-subregional trade in food and cash crops. This will go to feed not only the local people but also the infant agro-industries set up by the countries of the subregion.

13. In Eastern and Southern Africa, the harmonization of agricultural development covers inter-country co-operation, specialization and complementarity programmes in

food production so that certain countries in certain areas of the subregion will produce maize, sorghum, millet and other crops following the principle of comparative advantage among member States and the advantages of soil structure, topography and climate patterns.

14. Studies have been conducted in order to harmonize agricultural mechanization policies and strategies of the North African countries in three stages. The first stage would focus on the sharing of information and other facilities of the major ministeries and organizations responsible for agricultural mechanization and agricultural machinery industries as well as the institution of co-ordination among the States of the Maghreb. In the second stage, each of the countries would prepare its national strategy for agricultural mechanization and a subregional strategy would be formulated with the assistance of ECA, FAO and UNIDO. The third stage would consist of specific activities being carried out through established agricultural mechanization committees at the national and subregional level and the establishment of an agricultural mechanization research centre for the countries of the Maghreb. The main objective of the research centre would be to evolve an agricultural mechanization model adapted to the specific features of the subregion in terms of technology, training and extension services.

(c) Action undertaken

15. In West Africa, the action undertaken in this context consisted of the adoption of a subregional agricultural strategy and policy aimed at achieving food self-sufficiency and food security by the year 2000. The subregional development strategy consisted of the implementation of policies that make for the exploitation of every national agricultural potential through the joint implementation of agricultural, livestock and fish production activities while taking into account the complementarity of ecological zones in the subregion and national development priorities. The other components of the strategy are: (a) the development of an integrated infrastructure for the transport, storage, handling, packaging, processing and marketing of agricultural products; (b) the establishment of agricultural credit institutions and the reduction of food losses. In implementation of the common agricultural strategy, criteria would be established for the selection of those projects which should constitute the common agricultural programme. The criteria to be used in selecting projects for implementation would include: project capacity to contribute to the achievement of collective self-sufficiency, integration and of complementarity of the economies of the subregion. The programme established includes short-, medium and long-term activities totalling about 15 priority projects. Currently, major studies are being conducted in the subregion with a view to developing, among other things, the joint production of selected seeds and, selected breeder cattle, and the identification of protection environmental projects.

16. The CEAO Action Plan for 1989-1992 has a common agricultural policy component made up of eight co-operation programmes in the following areas: establishment of a community agricultural information, trade promotion, agricultural credit, agricultural research, rural water supply, technical co-operation and border area development system. The activities contained in the programmes are time-framed for the immediate, short, medium and long terms. The programmes are reviewed annually and the exercise constitutes a decisive stage in the approval of the budget for the rural development directorate responsible for the implementation and organization of programmes.

17. It should also be mentioned that the OMVS programme would allow for the irrigation of 375,000 hectares of land along the river Senegal by the year 2000. For this to happen, OMVs has already carried out a major water supply infrastructural programme involving the construction of two dams.

18. Similarly, in the PTA subregion, programmes are being implemented to promote co-operation and national specialization in the improvement of animal husbandry and fishing. This also follows the principle of equitable distribution of benefits among the countries and the conversion of national food crop, seed, livestock, livestock disease and fishery research institutes into PTA research centres. The aim of this programme is to set up a PTA food security system and to achieve food self-sufficiency.

19. The Southern African Development Co-ordination Conference (SADCC) also has a sound agriculture and food security programme being co-ordinated by Zimbabwe. SADCC also has a specialized institution - the Southern African Centre for Co-operation in Agricultural Research (SACCAR) - whose headquarters is located in Gaborone, Botswana. SACCAR plays the role of co-ordinating intra-subregional activities and should serve as a documentation centre for subregional agricultural research activities. There are, however, some areas of duplication. PTA and SADCC projects in such areas as irrigation, food security, food farming, animal husbandry and fishing at times conflict particularly when it comes to mobilizing international resources for conducting research and studies and procuring equipment.

20. The States members of ECCAS and UDEAC have decided to co-ordinate and harmonize their policies for achieving food self-sufficiency through improved productivity in agriculture and animal husbandry. The activities in this area consist of: co-ordinating and harmonizing the work of existing research centres in the subregion, particularly within UDEAC and CEPGL for conducting research into food crops and improved seeds; conducting a survey of existing research centres, evaluating their activities and preparing proposals for their rationalization and or their improvement; conducting a feasibility study on the establishment of subregional centres for the breeding and propagation of trypano-tolerant cattle; conducting a survey of breeding centres with a view to harmonizing their work and improving their performance through an assessment of their equipment and manpower needs; the subregional production of livestock vaccines and the identification of agricultural products likely to be manufactured in the subregion.

21. For the proposed preferential trade area for North African countries, plans have been made to set up an appropriate transport system that addresses the industrial and trade development needs of countries of the subregion.

(d) Harmonization machinery

22. Within ECOWAS and CEAO, regular meetings of the Ministers of Agriculture and Planning provide a forum for considering the progress made in the implementation of common agricultural policies and programmes and for proposing activities that could do with harmonization. In the same way, committees of experts are formed when projects in which two or more States are interested have been identified. The formulation and preparation of integrated agricultural development programmes are the responsibility of the agricultural and industrial development division of ECOWAS. In CEAO, member States

consult each other through meetings of special committees of national experts, among other things.

23. OMVS has consultative and co-ordinating organs which comprise:

(a) The standing committee on water which is empowered to determine the principles and modalities of sharing the waters of the Senegal River among the States and among user sectors;

(b) The subregional planning committee which gives advisory opinions on the formulation and implementation of the subregional programme for integrated development of the river basin;

(c) National planning committees responsible for preparing and following up the implementation of national components of the subregional development programme;

(d) The advisory committee of donor agencies and the high commission of OMVS with the responsibility of strengthening co-operation, facilitating research, mobilizing funds and following up the implementation of the programme;

(e) In addition, OMVS has a planning directorate responsible for co-ordinating various organs and programming the financing of the various programmes.

2. Harmonization of industrial development activities

(a) Major constraints

24. The world economic crisis which is being experienced in recent years has resulted in the collapse of the industrial sector, especially manufacturing industry in a good number of African countries. In particular, the decline in national export earnings and inadequate national foreign exchange reserves have forced African countries to accord priority to the import of essential items at the expense of intermediate and capital goods. This has led to: (a) the deterioration of industrial installations because of the lack of machinery and spare parts; (b) serious under-utilization of installed capacity; and (c) the closing down of factories.

25. The industrial policies that most African countries are pursuing are based on the financial restructuring and rehabilitation of existing enterprises, the limitation of public investment to activities considered strategic, the privatization of public companies not considered as strategic and the promotion of private initiative. These restructuring, privatization and management rationalization policies in the industrial sector may well be relevant at the national level but they are implemented without any co-ordination or harmonization whatsoever at the subregional level. The extractive industries remain local enclaves having a weak impact on the rest of the economy and virtually no linkages with other sectors. At the national level, the main constraints holding back the industrial development strategy are the small size of markets, the high cost of production and distribution arising from the lack of infrastructure and the conditions of the international money market which is the main supplier of capital. African industry is highly independent on foreign equipment, management and expertise.

26. At the subregional level, the harmonization of industrial development activities makes for economic integration through the optimum use of available resources while giving each country a framework for strengthening national efforts. In fact, the size and geographical location of countries, their natural resource endowments, political orientation, current economic policies and levels of industrial and economic development make it even more complex and difficult to implement industrial harmonization policies.

27. The various domestic management constraints and concerns of individual countries have not allowed subregional co-operation structures to make significant progress in policy harmonization and economic integration. Therefore, at the subregional level, the co-operation instruments instituted within the various subregional co-operation structures have enabled the adoption of industrial development strategies and programmes which have power slow to implement and execute. The results achieved by the programmes undertaken in recent years have not been evaluated. And yet, the industrial activities currently being harmonized are many and varied.

28. In West Africa, mention should be made of the institution of a general framework which provides for:

(i) Mutual exchanges of feasibility studies conducted, reports on projects and foreign companies established in the subregion, information on industrial research, expertise, experiences accumulated, the implementation of joint studies to identify viable industrial projects to be implemented, the joint financing of research relating to technology transfer and the development of new products using raw materials shared by member States;

(ii) The harmonization of measures for promoting industrial development and development plans, the taking of remedial measures to correct disparities in industrial development level;

(iii) The establishment of industrial linkages among existing plants and specialization. Regular meetings of committees of national industrial experts and ministers responsible for industrial development and planning have been instituted to consider identified projects and work out the means of implementing a genuine industrial co-operation programme for the CEAO subregion.

29. In Eastern and Southern Africa, plans have been made, among other things, for countries of the area to specialize, to rationalize the use of existing excess national capacity and high-cost industries, develop strategic industries using agricultural and mineral raw materials available in the subregion instead of continuing to export them and, produce, among other things, capital and intermediate goods that could be traded among countries of the subregion.

(b) Activities undertaken

30. In West Africa, the integrated industrial promotion programme undertaken by ECOWAS comprises 35 strategic projects and 17 support projects. The strategic projects have to do with the development of the metallurgical industry (installation of electric furnaces, sheet metal rolling factories, tractor, coach and vehicle component manufacture, aluminium conductors and cables) and the chemical industry. The multinational support projects are mainly projects of assistance with training, the strengthening of managerial

capabilities, the organization of industrial fairs and other activities. These are national projects which require multinational co-operation or subregional projects identified within the framework of the first Industrial Development Decade for Africa.

31. In addition, CEAO's subregional industrialization programme takes into account some 50 projects selected from national plans and which are expected to contribute to speeding up the economic integration of the subregion. OMVS has carried out an infrastructure programme costing nearly $US 600 million and including a dam that can generate 800 GWh of electricity per year. The ongoing development of hydropower in the river basin area will eventually make it possible to supply energy to an interconnected network that would make the best use of all the industrial, mining and agro-industrial potential of the basin. OMVS is currently seeking to secure the maximum return on the investment made so that it can pay back the loans contracted by its member States which are all facing economic and financial difficulties. Making the best use of suoregional infrastructures would depend almost exclusively on foreign technical and financial assistance.

32. In Eastern and Southern Africa, stress is laid on the implementation of a number of specific projects and programmes with priority being given to the rehabilitation and improvement of existing national industries where necessary. The current programme provides for the rehabilitation and rationalization of sheet metal rolling factories and foundries, the establishment of multinational sponge-iron factories, rehabilitation of existing fertilizer industries and the establishment of new fertilizer industries, development of the construction industry with primary emphasis on existing cement-works, the development of industries for processing agricultural and mineral products and the promotion of co-operation in the exploitation and use of energy resources in the subregion. The objective is to create eventually a viable and competitive industrial complex that will manufacture not only consumer goods but also machinery, equipment and spare parts.

33. In this context, the establishment of a PTA metal technology centre at Ziscosteel in Zimbabwe is of great importance to SADCC particularly where the industrial and mining sector are concerned. The centre is being financed by ADF and receiving assistance from the USSR.

34. In the PTA subregion, activities are being conducted to set up multinational systems for vertically and horizontally integrated production and marketing systems based on small- and medium-scale manufacturing enterprises. Such systems will operate either as multinational enterprises in those cases where the manufacturing plants are on a large scale, or in more flexible co-operation arrangements in those cases where the production units are small or medium sized. The vertical and horizontal integration of manufacturing plants in the industrial and agricultural sectors will make it possible to develop substantial inter-sectoral linkages and promote the expansion of intra-PTA trade as it will the increase of the volume of trade among PTA member countries.

35. In the industrial sector, the main task of ECCAS is currently to prepare an industrial development master plan based on the development of the iron, petroleum and copper deposits and the timber resources of the subregion. The UDEAC industrial programme aims mainly at carrying out specific projects on the manufacture of fertilizer, pesticides and pharmaceuticals, textiles, equipment and agricultural machinery as well as the production of animal feed concentrates. As for CEPGL, the plan is to implement specific

projects relating to the manufacture of plastic goods and, the rehabilitation and extension of existing cement works. It goes without saying that the ECCAS master plan will take into consideration the industrial units set up in the UDEAC and CEPGL areas to produce petroleum, timber and building material products.

36. In conclusion, the harmonization of industrial development activities within the various African subregions is taking many and widely varying forms. Within the same subregion, several similar activities overlap without there being some co-ordination and planning of existing resources that might be pooled. Such resources are in any case inadequate and unpredictable. Generally, there should be a thoroughgoing evaluation of the various activities going on everywhere with a view to identifying the impact that such activities have on national economic growth and the growth of the subregion as a whole, not to mention the degree to which they contribute to subregional economic integration. It is urgent to channel systematically the efforts of subregional development finance institutions into industrial activities that would promote the economic integration of the various subregions. The efforts of those institutions should be adapted to the specific nature of each nationalised unit. Obviously, much imagination and resolve will have to be demonstrated in this regard and a clean break made with the traditional patterns of financing.

37. For the proposed preferential trade areas of north African states, plans have been made to strengthen existing industrial structures, with particular reference to basic and capital goods industries, so as to speed up the economic growth of the subregion.

2. Harmonization of transport and communications plans

38. In the various African subregions, the high cost and unreliable nature of road, rail, air and maritime transport services constitute a structural impediment to the expansion of trade. Inadequate and useless telecommunications networks also do nothing to promote trade expansion. One of the main concerns of the existing organizations is precisely to remove such impediments. The subregional transport and communications strategy consists of integrating community space in order to make it easily accessible to persons and goods of the community by co-ordinating the transport and communications networks of the subregion and making complementary. The programme aims at facilitating the movement of goods and persons and, in particular, at opening up the land-locked countries of the subregion.

39. In West Africa, ECOWAS is pursuing harmonization both in terms of the regulation of inter-State transport and transit with the institution of an international automobile insurance certificate and with the development of communication infrastructure and facilities. Among those efforts is the development of the international highway linking Lagos in Nigeria to Nouakchott in Mauritania with all member States according priority to the maintenance of their section of the highway in order to ensure that it is motorable all year round. ECOWAS has also adopted a telecommunication programme aimed at linking up the 16 capitals of the subregion and is conducting a study on the establishment of an enterprise that would manufacture telecommunications equipment and spare parts with a view to ensuring a regular supply of telecommunications component parts and improving the degree of maintenance of telecommunications equipment installed in the subregion.

40. Within CEAO, the harmonization efforts are focused on the implementation of a major project inter-connecting the railway networks of member States. The implementation of the project will extend over 25 years and enable efficient and reliable rail transport services to be rendered. Meanwhile, CEAO is conducting feasibility studies on the establishment of a community plant to manufacture railway coaches in Burkina Faso. A specialized subsidiary located in Senegal will feed the manufacturing plant. Plans have been made to set up a community maritime transport company, to adopt a community maritime code and to set up national ladders' councils.

41. The OMVS programme includes the building of a channel that will open up Mali from the river port at Kayes to Saint Louis harbour in Senegal. The agreements concluded provide for freedom of navigation on the river, equal treatment for users of the water way and consensus among member States on any project that will substantially modify the flow characteristics of the river and affect its fauna, flora and general environment.

42. In Eastern and Southern Africa, priority is given to the [illegible] easing and elimination of inter-State transport barriers which impede trade flows within the PTA and the sub-regional integration process. In the medium and short terms, stress is being laid on the rehabilitation and modernization of inland water and road and rail transport links that have fallen badly in need of substantial repairs. The flight timetables of national airlines in the sub-region are being harmonized, joint efforts are being made to promote specialization in air craft maintenance and aviation training institutions. Lake and river transport operations are being harmonized at the same time as maritime transport on the East African coast, particularly with island countries of the sub-region, are harmonized. Non-physical barriers to inter-State road transport are being removed in particular through the institution of third-party insurance and a single road transit declaration document. The ultimate goal of all these programmes is to provide the sub-region with an integrated multimodal transport system - a PTA airline, an inland water transport company and a coastal shipping company.

43. More specifically, SADCC has launched a project on the Beira corridor which consists of rehabilitating and modernizing the rail transport and port facilities of the corridor from Harare in Zimbabwe to the port of Beira in Mozambique. The Beira corridor provides a major alternative to the use of South African ports for the transit of goods from Zambia and Zimbabwe. It is of great significance that this objective of SADCC should seek to reduce the dependence of its member countries on South Africa. A similar project has been proposed for the northern corridor of Malawi from Blantyre to Dar-es-Salaam. The project would seek to improve transport facilities on Lake Malawi and the road link from Tazara to Mbeya in the United Republic of Tanzania. SADCC is also participating in the implementation of the ten-year plan for the development of Tazara.

44. The problem, however, is that some PTA and SADCC activities overlap particularly in terms of coastal shipping services on the east coast of Africa between Massawa and Maputo. The same applies to aircraft maintenance centres and the inter-connection of satellite earth stations. PTA has designated six national air-craft centres that should be modernized and raised to sub-regional status.

45. On its part, ECCAS plans to implement a study on the linking up of national road networks with a view to creating a community road network. The study has several components including an assessment on the physical state of road repair and the

institution of a road certificate. Within the context of the second United Nations Transport and Communications Decade in Africa, financing requests are being prepared for the donor meetings to be convened. Other studies envisaged include the planning and development of air transport to link up and rationalize the networks in the subregion along the lines of the Yamoussoukro Declaration on the development of air transport in Africa; evaluation of the status of air transport in the subregion; the preparation of a map showing inter-State airline connections; the harmonization of air tariffs; the co-ordination of flights within the subregion, and the preparation of a corresponding training plan; a study on the integration and co-ordination of telecommunications networks among member States and the updating of prefeasibility studies conducted on the inter-connection of telecommunications networks of member States. UDEAC is to conduct afresh the study on coastal shipping to include Zaire and incorporate all the long-distance maritime routes.

46. Regarding the harmonization of road transport programmes in ECCAS and UDEAC, little progress has been made by the two organizations. It was decided therefore that ECCAS should prepare a study on the road transport network in the Central African subregion and project documents thereon with a view to seeking funds. However, the roads serving UDEAC countries, such as those linking the Central African Republic and Chad to other member countries, will be studied by UDEAC which will involve ECCAS closely in the search for financing of the studies to be implemented and the construction work to be done. There is also the CEPGL transportation project which does not overlap with those of UDEAC and ECCAS. The area concerned lies mainly in the Kivu Region of Zaire, Burundi and Rwanda. The Great Lakes countries also plan to set up an airline which will mainly serve to open up Rwanda and Burundi.

4. Harmonization of subregional trade

47. Trade development is one major area of co-operation identified by the subregional co-operation organizations. Many are the obstacles to the expansion of trade within the various subregions. Those obstacles include the paucity of transport facilities and infrastructures, the existence of many inconvertible currencies, persistent balance-of-payment deficits, inadequate or no hard currency, lack of adequate support facilities for export promotion and import financing, a weak or inadequate domestic production base which is little diversified and uncompetitive, the competition from and policies of foreign companies such as transnational corporations, lack of product standardization, administrative and customs barriers, similarity of manufactures as a result of national ventures undertaken without prior study.

48. In addition, the predominance of trade with the industrialized countries, in particular the former colonial powers and the maintenance of such historical trading relationship, are currently acting as one of the greatest obstacles to the expansion of subregional trade. The many customs unions set up years ago in the various African subregions have changed very little about this hard and bitter reality in spite of the notable progress made in terms of institution-building and legislation.

49. In West Africa the progress made in harmonizing subregional trade within ECOWAS has had to do with the harmonization of documents, customs formalities and other related issues, the adoption of a trade liberalization scheme among countries of the subregion with provision made for the total elimination of tariffs levied on products of community origin and traditional crafts. At the latest, customs tariffs on industrial goods should

be phased out by 1993. In each of the member States an integrated system for the processing of external trade statistics and customs data is being set up. All the data secured from the national centres will be centralized and processed for users at a subregional centre which will be located in Lome.

50. Among CEAO member States, the liberalization of tariffs applicable to goods of community origin and traditional crafts has also made it possible to set up a preferential trade area for industrial goods originating from CEAO member States. The current system levies what is termed a regional co-operation tax in place of all those customs and excise duties chargeable by a member States on products originating from other member States. Up to two thirds of the in fiscal revenue losses arising from the application of the regional co-operation tax are made good to the importing country with the remaining third going into a community development fund used for financing development activities in the member States. External trade and customs instruments and documents have largely been harmonized and CEAO is currently proceeding with the harmonization of domestic taxation in member States with a view to making the regional tax more workable to the extent that all the data concerning the crossing of customs check points will be better monitored. The idea is to design and implement a common fiscal system based on added value for the seven member States. Such a system should stimulate investment, and to the extent possible, reduce the cost of producing and distributing goods and services. It should also increase the competitiveness of member State manufactures and help to slow down inflation.

51. UDEAC has adopted a single tax applicable to certain industrial enterprises whose products may circulate within the union after the single tax has been paid. UDEAC has also set up a common external tariff which however allows member States to levy an additional tax. Unfortunately, this market-integration approach has failed to yield the expected results because there is no programme for developing subregional infrastructure and production capacity. What is more, the single tax has mainly benefited those countries having a with relatively advanced industrial structure while the less developed countries have continued to levy customs duties on goods coming in from other countries of the Union. The single tax has therefore failed to promote intra-community trade.

52. Within the PTA, the reduction of tariffs and tariff barriers impeding subregional trade is proceeding towards the goal of final elimination. Programmes for harmonizing and facilitating customs formalities and regulations are being actively pursued with a view to setting up a subregional system of customs regulations. The clearing and payments system which regulates all articles manufactured in the PTA subregion has become operational. Services have been all but included in the system and PTA travellers checks are already being used by member States participating in the system. The PTA clearing house is the first stage in the process of setting up a PTA payments union and, ultimately, a PTA monetary union. The PTA bank for trade and development began its operations early in 1986. Its main role is to provide financial and technical assistance for the promotion of economic and social development. It can therefore be maintained that the PTA has instituted all the major economic liberalization and integration schemes for the countries of its subregion.

53. While taking into account the level of duties and taxes levied within UDEAC and in countries which are not members of that customs union, ECCAS proposes to invite its member States to adopt such tariffs as would harmonize those existing already. The additional tax levied within UDEAC and which tends to make the common external tariff

ineffectual is likely to be abolished. Given the varying levels of development in the countries concerned, it would be difficult for them to adopt a common external tariff but then, the authority for determining various external tariffs during the transitional period should be vested in the CEPGL, IDEAC and ECCAS policy organs.

54. In all the subregions, the traditional marketing system predominates where agricultural commodities are concerned. These markets are little organized at the domestic level and often not well known because no information is available. Until recently, the marketing of agricultural commodities was carried out in part by public marketing agencies in the belief that they would function more efficiently than private agencies and make for control over consumer and producer prices. However, these agencies have proved most inefficient and Government policies are now tending to abolish them and give full play to the law of supply and demand. Some countries, in particular the CILSS countries, have a permanent system for monitoring the grain market and conducting annual assessments to provide, inter alia, the quantities of marketable grain, security stocks, national needs, dissemination of national price information throughout the subregion and a more realistic assessment of [illegible] and surpluses in the various countries that enables them to organize more systematically the trade of agricultural food products in the subregion and to cope with critical food situations.

55. Most often, there is very little food surplus to warrant regular inter-State trade in food products. Unofficial border trade in foodstuffs is carried out mainly because of the difference in price levels and the price/exchange rates of various currencies. The problem of production is a major constraint to the expansion of intra-regional trade in agricultural food products.

56. The most regular and monitored trade is that in agricultural and mineral exports. Most of these go to Europe. The prices of commodities are determined on the world market without the producing countries having a say. For example, in 1986, the exports of cocoa and fruits from Côte d'Ivoire to ECOWAS countries accounted for about 10 per cent of its exports of the same commodities to the outside world. In 1987, exports of crude oil from Nigeria to the ECOWAS countries accounted for 0.4 per cent of its exports of crude to the outside world. Exports of meat and livestock from Mali and Niger to countries of the subregion accounted for 12.7 and 2.2 per cent respectively of their world exports. In 1985, exports of gold from Liberia and Sierra Leone to other countries of Africa accounted for 1.66 and 4.9 per cent respectively of their world exports of those products.

57. On the whole, the share of intra-community trade in the ECOWAS countries was 4.9 per cent of the world trade of those countries in 1975 and 7.5 per cent in 1985. By 1990, the trend would have reached 7.5 per cent. If the current trends in trade flows mostly going to the industrialized countries are to be reversed, there will have to be a sustained domestic demand for industrial goods processed from those materials currently exported from the various subregions and the Malthusian will have to demonstrate the capacity for setting up such industries and managing them effectively.

III. CONCLUSIONS AND RECOMMENDATIONS

58. The many and important constraints to development and to the strengthening of sectoral planning at the national level and the harmonization of national plans at the subregional level have been highlighted in the foregoing paragraphs. The fact that structural adjustment programmes for resolving financial and monetary problems in the short term are gaining ground means that new approaches must be sought and more suitable development planning mechanisms instituted at national and subregional levels. The current methods of planning in Africa should be reviewed with a view to basing them on popular participation through:

(a) The integration of local initiatives into development planning;

(b) The involvement of the substantial informal sector in all African countries;

(c) Consideration of the requirements for physical planning of national and subregional; and

(d) Rationalization of the current structures for subregional co-operation which are too numerous and lead to a waste of human and financial resources in particular. The first step in the search for this new approach would be to secure the exercise of total sovereignty over natural resources, the policies for their development and the incorporation of their development into national and subregional programmes.

59. Subregional and regional economic integration through the joint implementation of programmes for rational exploitation of available natural resources and the appropriate mobilization of national and subregional financial and human resources should replace the current integration structures which are overly focused on integration through trade development. This should lead to the preparation of comprehensive subregional plans based on a proper and complete knowledge of available resources and programmes for the rational exploitation of these resources. ECA's revised perspective study on Africa's development for the period 1988 to 2008 together with the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation provide an invaluable basis for developing research in this endeavour.